

BEFORE THE
POSTAL REGULATORY COMMISSION
WASHINGTON, D.C. 20268-0001

MAIL PROCESSING NETWORK RATIONALIZATION
SERVICE CHANGES, 2011

Docket No. N2012-1

**RESPONSES OF THE UNITED STATES POSTAL SERVICE
TO AMERICAN POSTAL WORKERS UNION INTERROGATORIES
REDIRECTED FROM WITNESS DAVID WILLIAMS
(APWU/USPS-T1-39 - 42, 44, 45 AND 47 - 48)**

The United States Postal Service hereby files institutional responses to the above-identified interrogatories of the American Postal Workers Union, dated February 23, 2012. The interrogatories have been redirected from witness Williams to the Postal Service for response. Each interrogatory is stated verbatim and followed by the response. Responses to APWU/USPS-T1-43, 46 and 47(d) are forthcoming.

Respectfully submitted,

UNITED STATES POSTAL SERVICE

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**RESPONSE OF THE UNITED STATES POSTAL SERVICE TO AMERICAN
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APWU/USPS-T1-39 In the current case, there are several instances where the same gaining site is named for more than one potential losing site. Please explain in general how the AMPs are conducted when there are multiple facilities that could be consolidated into one facility. Please specifically address:

- a) How is available processing time at the gaining facility analyzed with respect to all the potential incoming mail?
- b) Is there one consolidated comparison that compares workhours at all the losing sites to the “after” workhours at the gaining site?
- c) For each of the individual losing site AMPs, how is the net employment impact being calculated?

RESPONSE

- a. The aggregate of all proposed volumes of the sum of the consolidations was considered when planning the equipment sets for each of the gaining facilities. A joint headquarters, Area, and local analysis was then performed to validate that the proposed equipment set would fit in the facility. The feasibility of the consolidations was based upon all mail for all consolidations being able to be processed on the proposed equipment set during the proposed operational window. The business cases were separate analysis, but the feasibility analysis included the sum of all proposed consolidations.
- b. No.
- c. See the response of witness Williams to Question from Commissioner Taub during March 20, 2012 oral cross-examination filed 3/30/2012.

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APWU/USPS-T1-40 Please describe each of the columns on the 24 hour clock tables that are included in most of the AMPs and how those columns are used to judge potential service performance bottlenecks.

a) The 24 hour clock tables do not routinely appear in the PIRs. Why is a comparison of the 24 hour clock performance in the gaining facility before and after the transition not routinely included in the PIRs?

- a. The 24-hour clock is an operational metric used to diagnose and correct current operational issues. It, in itself, is not a measure of operational success. The metrics used to determine operational success are service performance scores and workhour usage. Both of these metrics are displayed in the PIR analysis.

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APWU/USPS-T1-41 If the 24 hour clock table in an AMP shows that second pass DPS is in the green and is therefore finishing on-time most of the time, but the transportation measure in the last column is in the red, well below the target percentages, what sort of operational concerns does that raise?

RESPONSE

This could reflect a number of scenarios that would need to be investigated further to determine whether it is actually having an impact on the service performance or workhour usage of a facility. In Surface Visibility sites, a truck is considered to be late when it departs at least 1 minute after the expected time. This is an example of when the 24 hour clock would indicate poor performance, but this 1 minute may not have an impact on the down stream post office operations. The “red” column is not a measure of success, but an indication that further analysis must be performed to determine if there is an issue.

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APWU/USPS-T1-42 If a gaining facility is being evaluated for the potential receipt of mail from multiple “losing” facilities and the gaining facility already has one or more 24 hour clock measures that are substantially below target, does that trigger any special remediation activities at the gaining facility before additional AMPs are approved? If not, how do you determine that there will not be service degradations when additional facilities are consolidated?

RESPONSE

Yes. This is an example of why the 24 hour clock analysis is included in the AMP proposal. This scenario would indicate that further examination is needed to ensure that operational success is feasible. Depending on the metric and the impact that further investigation determines that this metric has on service performance and or workhour usage, this may alter the assumptions applied to the AMP proposal. For example, if cancellation by 2000 performance at the gaining site is poor, this *may* indicate that collection transportation from the losing site should be designed to have more mail arrive before 2000. Various operational methods such as sort plans, number of pieces of equipment in use during an operation, transportation arrival profiles, number of trucks, staffing, and scheduling can be altered in order to change performance of a 24 hour clock metric. However, the true measure of operational success is the service performance and workhour usage.

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APWU/UPSP-T1-44 Please refer to USPS-LR-N2012-1/47.

- a) Please confirm that this analysis was conducted using FY2009 workload volumes.
- b) Was a similar analysis ever done using FY2010 workload volumes so that it could be compared to the analysis underlying the proposed plan in this docket?
- c) Please confirm that the baseline scenario shows 6 hours for all activities except for second pass DPS, which was assigned 1.5 hours.
- d) The 6 hour windows for the Outgoing Primary and Incoming Primary operations do not seem to be consistent with the operating plan presented in Witness Neri's testimony at page 13. Is the second pass DPS window, the one that is the bottleneck in most processing plants?
- e) Scenarios 1 and 2 extend the second pass DPS window by 1 and 2 hours respectively. Please confirm that a 1 hour extension of the DPS window reduced the estimated number of plants necessary to process the mail by 95 facilities.
- f) Were these scenarios only focused on letter and flats volumes?
- g) On the facilities worksheet please indicate what determined whether or not a facility had an "X" in the column labeled "include?"
- h) FY2009 would have been before the FSS machines were in widespread operation. How was flats processing evaluated in these scenarios?

RESPONSE

- a. Confirmed.
- b. No.
- c. Confirmed.
- d. Confirmed, this was a high level analysis to determine the effect of changing mail processing windows. Confirmed, the second pass DPS window is the constraint in most processing plants. All mail volumes, regardless of service standard are required to process through this limited mail processing window due to the FC overnight service standard.
- e. The analysis suggested expansion of the operating window would cause the need for less square footage. That reduction in square footage was divided by the average size of a facility based on the list of facilities

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RESPONSE TO APWU/USPS-T1-44 (continued)

included within the attachment to develop a general sense of how many facilities that would equate to. It should be noted this high level analysis was only a method utilized to get a very general sense of opportunity.

- f. Yes.
- g. See the response to POIR No. 5, questions 5(a)&(b).
- h. Flats processing was evaluated based on how it was processed based on the data contained within the MODS pull.

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APWU/USPS-T1-45 Is there a non-public version of the worksheet that has been filed as Public USPS-LR-N2012-1/47?

RESPONSE

No.

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APWU/USPS-T1-47 In its February 23, 2012 press kit, the Postal Service states that it has determined that of the 52 facilities for which AMPs were not required, 40 will be consolidated.

- a) What factors were evaluated to reach those decisions?
- b) Have the public comments collected from the February 6, 2012 newspaper advertisements already been evaluated?
- c) If not, how will those comments be evaluated since the press release indicates that the decision has already been made to consolidate those facilities?
- d) What is the dollar value savings that the Postal Service has attached to these facilities and how have those savings numbers been determined?

RESPONSE

- a. These decisions were made based upon feasibility of the consolidation, an expectation of cost savings, and consideration of public input.
- b. Yes.
- c. N/A
- d. [Response forthcoming]

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APWU/USPS-T1-48

- a) Please confirm that destinating mail from the Frederick, MD P&DF was approved to be consolidated into the Baltimore P&DC in August 2011.
- b) Please confirm that originating mail from the Frederick, MD P&DF was consolidated into Suburban Maryland P&DC in July 2010.
- c) What is the current status of the Frederick, MD P&DF? Are any mail processing activities currently taking place there?
- d) Where is the mail (originating and destinating) that was previously processed at the Frederick, MD P&DF actually being processed at this time?
- e) If there have been any changes since the AMPs approved above, please provide the AMP that shows that analysis.

RESPONSE

- a. Confirmed.
- b. Confirmed.
- c. There are no mail processing operations currently taking place at the Frederick P&DF.
- d. The originating and destinating mail for the service area previously supported by the Frederick P&DF is currently processed in Baltimore.
- e. No updated analysis was performed or was necessary according to USPS Handbook PO-408 guidelines. The realignment of originating Frederick mail from Suburban to Baltimore did not require a separate AMP study because an AMP consolidation is defined as "all originating.." operations tied specifically to Sectional Center Facility (SCF) processing. Because only a subset of originating operations was transferred between Suburban and Baltimore, it did not qualify as an AMP.